Money laundering

2148. SHRIMATI BIMBA RAIKAR: Will the Minister of FINANCE be pleased to state:

(a) whether the Reserve Bank of India has recently reckoned the extent of money laundering in India at about $ 600.00 million to $ 1.5 billion;

(b) whether these projections work out to 2 to 5 per cent of our GDP; and

(c) whether introduction of Financial Action Task Force is likely to curb money laundering and if so, to what extent?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) and (b) Since money laundering is the process of conversion of money derived out of criminal activity into clean money, there is no proper estimate available with Reserve Bank of India (RBI) as to the extent of amount involved.

(c) The Financial Action Task Force (FATF) is an inter governmental body which has stipulated 40 recommendations for curbing money laundering in all member and sub-member countries. RBI has issued guidelines to banks on 'Know Your Customer' (KYC) norms for their customers based on the said recommendations of FATF. It is hoped that with the coming into force of the revised guidelines issued by RBI on 29th November, 2004 on KYC norms and Anti Money Laundering (AML) the practice of money laundering would be curbed to great extent.

Modifications in data collected through TIN

2149. SHRI RAJEEV SHUKLA: Will the Minister of FINANCE be pleased to state:

(a) whether Government have been able to make any significant use of the wealth of information being collected through Tax Information Network (TIN);

(b) if so, the details thereof;

(c) whether any modifications or alterations are proposed in the types or amount of data collected through TIN; and

(d) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) and (b) The Tax Information Network (TIN) is a repository of important tax related information coming from various sources which is being used by the Income-tax Department for widening and deepning the tax direct tax base of the country. Information coming from electronic TDS returns is being used for identification of non-filers of TDS returns and for matching tax deducted at sources with the tax deposited in Government account. The information coming in from Online Tax Accounting Systems (OLTAS) is being used for monitoring tax collections. The information coming in from the Annual Information Returns (AIR) is about specified high value financial transactions for identifying non-filers, for selection of cases for scrutiny and for deepening the tax base.

(c) No, Sir.

(d) Not applicable in view of reply to (c) above.

Problems in getting educational loans

2150. SHRI SANJAY RAUT: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that many students from poor and middle class familes are facing problems in getting educational loans for their further studies;

(b) if so, Government's response thereto and the details of steps taken for making available the education loans to every students belonging to poor and middle class family who desires to seek higher studies;

(c) whether Government are seriously considering to raise a Corpus Fund which will offer students loans at zero or mimimum rate of interests; and

(d) if so, the details thereof and if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) and (b) No specific complaint has come to the notice of the Government that students from poor and middle class families are facing problems in getting educational loans.